

A N N U A L R E P O R T July 2009 through June 2010



Dear Workforce Stakeholders and Partners:

Program Year 2009 brought exciting changes and challenges for the workforce development system. The legislature created a new cabinet agency, the SC Department of Employment and Workforce, combining workforce programs from the SC Department of Commerce and the old Employment Security Commission. The new cabinet agency is integrating services and transforming the emphasis on unemployment insurance to a new primary focus on reemployment. Simply, DEW is working to put South Carolinians back to work.

I commend State and Local Workforce Investment Boards, staff, and workforce partners for their dedication and patience during the challenges of the transition and the demand for services during PY'09. You served record numbers of job seekers. In fact, PY'09, participation percentages for adult, dislocated worker, and youth increased by 24 percent, 20 percent, and 15 percent, respectively, over 2008. South Carolina exceeded U.S. Department of Labor goals for average earnings for adults; met goals for dislocated worker earnings; and exceeded the literacy and numeracy gains for youth.

The 2009 WIA program allotment of \$60.9 million enabled the State Workforce Investment Board (SWIB) to continue workforce development partnership efforts and support initiatives such as apprenticeship; incumbent worker training; nursing instructor capacity building; and the dropout prevention program, Jobs for Americas Graduates-South Carolina (JAG-SC). Since its pilot year, the JAG-SC program has grown by over 43 percent and produced a graduation rate greater than 92 percent with the second group of 242 seniors. Also, for PY'09 the SWIB investment of WIA grants for business-driven training yielded impressive dividends: saving 2,629 jobs, creating 1,086 jobs, and training 11,834 workers.

Workforce development in South Carolina continues to make strides. The progress and efforts of workforce development partners and our state and local workforce staff have not gone unnoticed. We greatly appreciate the hard work and dedication of the leaders and staff of the Department of Commerce during the time WIA and TAA were a part of their agency. We look forward to a similar commitment at the Department of Employment and Workforce and the efforts that will increase our highly skilled workforce and competitive businesses within South Carolina.

Sincerely,

Pat Hudson, Chairman

Cat Auden

Governor's State Workforce Investment Board



Department of **Employment** and Workforce **Establishment**

On March 30, 2010, Governor Mark Sanford signed House Bill 3442, creating a new cabinet agency, the South Carolina Department of Employment and Workforce (SC DEW).

It placed all workforce programs and services administered by the Employment Security Commission under the newly created agency. By Executive Order, administration of the Workforce Investment Act (WIA) and Trade Adjustment Assistance (TAA) programs was transferred from the Department of Commerce to the Department of Employment and Workforce.

The newly created agency was formed to promote the availability of a qualified workforce in order to gain a competitive economic development advantage. Creation of the agency will help accelerate job seekers' skill attainment and employment and move workers to self-sufficiency. It will also result in more available funds to drive employment and simplify the workforce system for business owners.

The interim executive director of SC DEW, Brigadier General (Retired) John L. Finan, was appointed by the Governor and confirmed by the Senate on April 29, 2010. He will serve until March 2011 or until a successor is appointed by the incoming Governor.

South Carolina's workforce system is comprised of a network of partners including the SC Department of Employment and Workforce, SC Department of Commerce, the Governor's State Workforce Investment Board, Adult Education, Vocational Rehabilitation, K-12 and higher education, the technical college system, 12 local workforce area agencies and councils of government as well as economic development agencies. This collaboration, along with other public and private agencies, facilitates meeting the needs of South Carolina's job seekers and employers.

The Workforce Investment Act in South Carolina

The Workforce Investment Act (WIA) is a federal program administered on behalf of South Carolina by 12 regional workforce investment boards, the State Workforce Investment Board, and the South Carolina Department of Employment and Workforce. The program's activities serve two objectives: to address the training, education, and employment needs of individuals and to develop a skilled workforce that meets the needs of business and industry in South Carolina.

Workforce Investment

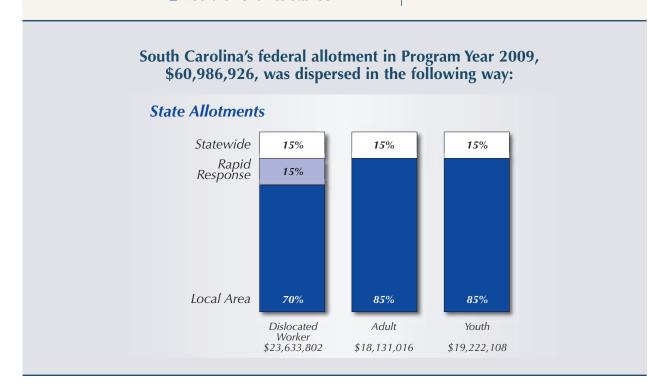
Act Services

Business and Industry Services

- **■** Financial Assistance for:
 - Incumbent Worker Training Costs
 - Customized Training Costs
 - On-The-Job Training Wages
- WorkKeys® Job Profiling
- Rapid Response Assistance:
 - Layoff Aversion Strategies for Employers
 - Services for Layoff-Affected Employees
- Recruitment Assistance

Individual Services

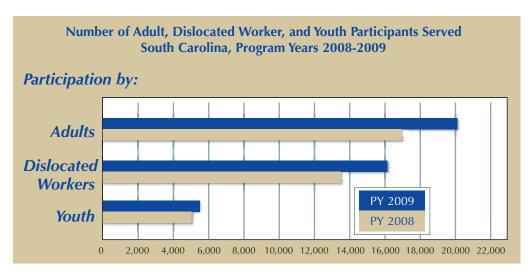
- Job Registration and Referrals
- Application and Resume Assistance
- Interviewing Skills Training
- **■** Counseling/Case Management
- WorkKeys® and other Skill Assessments
- Career Counseling and Planning
- Referral and Financial Assistance for Training



The majority of the WIA program is executed through 12 local workforce investment boards in order to better serve local business and industry needs. A map outlining the 12 local boards in South Carolina can be found on the inside back cover of this report.

Adult and Youth Service Update

During Program Year 2009, South Carolina served almost 21,000 adults, over 16,000 dislocated workers, and over 5,800 youth participants through WIA-funded programs in our 12 local workforce investment areas. Program Year 2009 reflects a 24% increase from Program Year 2008 in the number of adults served, a 20% increase in dislocated workers, and a 15% increase in the number of youth served.



South Carolina Met or Exceeded All Performance Goals

South Carolina met or exceeded all performance goals set by the US Department of Labor for Program Year 2009.

The total number of WIA participants increased 21% from Program Year 2008 to 2009. Other key measures, however, showed mixed results. The overall economic downturn and employers' continued reluctance to hire played a significant role in the decrease of both employment and employment retention rates for adults and dislocated workers. This trend was reflected in the youth placement in employment or education rate as well.

In contrast, however, six-month earnings for adults rose, increasing by \$502, while youth literacy and numeracy gains increased slightly by 0.2%.

Adult Performance Goals

Average Earnings (during a six-month period after exiting WIA) continued an upward trend for Adults increasing to \$11,024 with average earnings for Dislocated Workers at \$12,395, a slight decrease from the previous year.

Entered Employment Rate for Adults and Dislocated Workers decreased to 56.7 percent and 60.4 percent respectively, as fewer job opportunities emerged in Program Year 2009. However, South Carolina's entered employment rate for Adults and Dislocated Workers exceeded the national average.

Employment Retention Rate decreased slightly in Program Year 2009 to 81.3 percent for Adults and 85.3 percent for Dislocated Workers; yet, the state's performance remains above others nationally.

Youth Performance Goals

Literacy or Numeracy Gains Rate increased slightly to 48.7 percent during Program Year 2009, placing South Carolina's performance well above the national average of 38.1 percent.

Attainment of Degree or Certificate decreased to 50.6 percent.

Placement in Employment or Education Rate decreased to 53.6 percent.



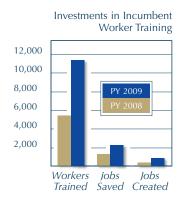
Business Services: Helping to Meet Industry Needs

The South Carolina State Workforce Investment Board (SWIB) is committed to providing a skilled workforce to meet the needs of South Carolina business and industry. Through a variety of business services, training grants for new and incumbent workers, recruitment of qualified job applicants, and WorkKeys® profiling and testing, South Carolina businesses are experiencing positive results.

Registered Apprenticeships Continue to Increase in South Carolina

During Program Year 2009, the State Workforce Investment Board approved \$500,000 in grant funding to continue the support of development and expansion of apprenticeship programs in South Carolina. To date, the SWIB has awarded \$1.5 million for apprenticeships which has helped support 18 apprenticeship projects and more than 400 individual apprentices. The SWIB's investments, in tandem with the efforts of Apprenticeship Carolina, have resulted in 68 new apprenticeship programs in Program Year 2009 for a total of 269 statewide. The number of active apprentices in the state reached 2,549 – a 56% increase from Program Year 2008.

Incumbent Worker Training Successes in Program Year 2009



Incumbent Worker Training (IWT) produced several positive results during the 2009 Program Year compared to 2008:

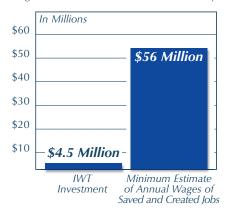
- · twice as many workers received training
- · twice as many jobs were created
- over 2,600 jobs were saved.

Investments in Incumbent Worker Training Produce High Yields for the South Carolina Economy



Each dollar invested in Incumbent Worker Training in Program Year 2009 yielded a 1,223% annual return on investment or a return of over \$12 for every \$1 invested.*

*Using a conservative average hourly wage estimate of \$7.25 per hour for jobs saved and created, a total of 3,715 in 2009, the WIA \$4.5 million investment in Incumbent Worker Training resulted in a return of at least \$56 million into the state's economy in recurring wages.



Investing in Success: **Businesses Comment on Incumbent Worker Training**

The trainees could see how small changes and continuous improvements in the workplace can make a tremendous difference in manufacturing output and employee job satisfaction. We began utilizing what was learned immediately. Today's global economy requires U.S. companies to implement Lean and Quality standards to compete. Pro Cal is thankful for this grant, as we would not have spent the money on the training during this economic downturn.

Pro Cal Professional Decals, Inc. (York)

Our company is very thankful for the funding of this project. Given the current state of the economy our Company would have been unable to pay for this training on our own. The training we attended will have a significant impact on our operation's efficiency and profitability. Also, given that the training is a requirement of our customer, it will allow us to retain business that makes up about 75% of our total income.

Industrial Manufacturing Services (Lancaster)

This program afforded our company the opportunity to raise the bar of talent within our production area and enable our facility to bid for products that require a more technical and precise manufacturing process. The program is highly beneficial to organizations like ours that otherwise would not be able to provide this caliber of training to our employees.

KS Gleitlager USA, Inc. (Greenville)

This is an excellent program. Our employees were able to learn in a controlled training environment, which greatly enhanced their learning process and improved the company's training timetable on the new software. As a result, DHP saved training and productivity dollars by being able to train all home office and branch associates at one time. This cost savings enabled DHP to avoid further layoff of associates. Diamond Hill Plywood Co., Inc. (Darlington)

The education and training the company's employees received created additional work opportunities for the employees and the company. Pierside's predecessor laid off almost all of its employees every winter. With the increased skill level of these employees, the company was able to attract additional work. This past year, no one was laid off. Pierside is the busiest boatyard in the county, thanks in part to the training IWT funded.

Pierside Boatworks (Charleston)

Without these funds, our 21 associates would not have been afforded the opportunity to

> receive the skills enhancement training that has in many cases increased their value and stability with the company. A more skilled workforce allows our multiple tasks, better prepares them for internal promotions, improved employee relations, and lessens our dependency on outside contractors.

South Caroling The Piece company to fully utilize associates on Carlisle Finishing Plant (Union)

The training will allow us to utilize internal resources as opposed to contracting outside services for things such as welding. Obviously, this is a cost savings to an organization that is very focused on cost containment. Ahlstrom Glass Nonwovens, LLC (Lee)

This program is an invaluable tool for local business to regroup after a difficult economic year. After the loss of experienced employees due to a reduction of manpower, the grant enabled us to level skills sets of less experienced employees.

SC Yutaka Technologies, Inc. (Kershaw)

Through the continued help and support provided by this IWT grant, we have been able to provide much needed leadership training to our crew leaders, supervisors and management. We have experienced a significant decline in turnover across the board, due in part to better coaching, counseling, communication and overall leadership skills.

Beneteau USA, Inc. (Marion)

Workforce Investment Act Changing Lives



Gloria McNeal, 911 Communications Officer

Catawba Region

After 32 years on the job at a textile plant, Gloria became a dislocated worker in 2006. Through the services WIA offered, Gloria was able to return to school and be retrained. In 2008 she received an Associate of Science in Business from the University of South Carolina-Lancaster. With assistance from the WIA/On-the-Job Training Program, Gloria is now employed with the Lancaster Police Department as a 911 Communications Officer, earning 25% above her wages at the textile plant.



Carmen Sofia Martin, Mortgage Interim Loan Adjuster

Midlands Region

Through the partnership of WIA and Connecting People to Jobs (CPTJ), Carmen Sofia Martin completed English as a second language (ESL) training at the University of South Carolina. Originally from Colombia, South America, Sofia was having difficulty finding higher-paying jobs due to her limited English proficiency. Despite a B.S. in Finance and Accounting, she was unable to advance in her career. Sofia completed the Project Management Certificate training at Midlands Technical College and was then referred to a position at Wells Fargo. She landed her dream job as a Mortgage Interim Loan Adjuster. Her wages increased 115%.



Ann Horton, Nursing

Upper Savannah Region

A fifty year old faced a dilemma when the manufacturing company she worked with for 32 years decided to close. Anne Horton was offered a ray of hope when she received information about WIA services during a rapid response meeting. Through a WIA funded training scholarship, Anne entered the Associate Degree in Nursing Program at Piedmont Technical College. To avoid the "waiting list" and ensure a timely entry into the very competitive nursing program, Anne chose to take the SAT. Through her bold determination, she made a high score on the SAT ensuring her a spot in the nursing program. Upon obtaining her degree, she was hired by Self Regional Healthcare, as a telemetry nurse.



April Harley, Nursing

Pee Dee Region

As a low-income, single parent working a part-time job, April Harley sought WIA assistance to fulfill her lifelong dream of becoming a nurse. Using WIA funds for her tuition, she enrolled in the Registered Nursing Program with Florence-Darlington Technical College. In May 2009, she received her diploma in Registered Nursing (RN) and soon after attained her RN licensure. She is currently employed with HealthSouth Rehabilitation Hospital in Florence. April's new career goal is a bachelor's degree in nursing.



Michelle Johnson, GED Graduate

Santee-Lynches Region

Michelle Johnson has been an Office Manager for the past 10 years. When she started with the company, she was not required to have a High School Diploma or GED. She realized that obtaining her GED would enable her to seek other employment. Through WIA, Michelle obtained her GED and also utilized the one-stop employment workshops to assist her in developing new employment skills, interviewing techniques, networking and job searches, and resume writing. With the help of one-stop employment workshops, Michelle is now employed at Blue Cross & Blue Shield in Columbia.





Roger Miller, GED Graduate

WorkLink Region

When Roger Miller became unemployed in January 2009, he had been out of school for 38 years, but he knew the time had come to go back. He enrolled in Pickens County Adult Education through the WIA program in August 2009. A year later, in September 2010, he received his GED. His journey didn't stop there. After completing his high school education, Roger enrolled in Commercial Driver's License truck driver training at Tri-County Technical College and is quickly moving toward a new career.



Brittany Toole, Phlebotomy

Lower Savannah Region

Brittany Toole joined the summer youth program in 2009. At that time, she did not have a high school diploma or GED. After participating in the summer youth employment program and attending classes at Byrd Learning Center, she took the GED exam and passed on her first attempt. In August 2010, Brittany began classes at Aiken Technical College in the Certified Nursing Assistant program; she successfully completed with an average grade of 97% and is currently in Phlebotomy clinical. Brittany will start Electrocardiogram Technician classes in January 2011 and will complete her entire curriculum by July 2011.



Nefertiti Tillman, Certified Medical Assistant

Greenville Region

At the age of 29, a single parent with two small children, and unemployed with no high school diploma, Nefertiti made a commitment to improve her future. She entered into the WIA Adult Services program with a ninth grade education. While in school, she continued working part time and parenting her children. Through the WIA Adult Services program, Nefertiti obtained her GED and certification as a Certified Medical Assistant through Greenville Technical College. Within days of her internship, she was offered a full time position as a CMA with the Riverside Family Practice of the Greenville Hospital System. She was recently promoted.



Dwayne Norman, Facility Service Technician

Trident Region

Dwayne Norman entered the WIA program in January 2009 as a dislocated worker. In 1976, Dwayne sustained injuries to both shoulders while enlisted in the United States Marine Corps, which limited his ability to perform certain tasks. As a disabled veteran, Dwayne was referred to SC Vocational Rehabilitation where he received rehabilitation and support services. Dwayne then enrolled in the Facilities Maintenance Program offered through Trident Technical College. Upon completion of the program, Dwayne received on-the-job training while earning a sustainable wage at Darby Development Company, Inc. He is currently employed at Darby Development Company as a Facility Services Technician.



Charles Michael Kimbrell, Commercial Truck Driver

Upstate Region

WIA financial assistance and training has opened the path to a new career for Mike Kimbrell. After being dislocated from his job of seven years at a landscape/maintenance company, Mike was in a difficult situation. Lacking training and credentials, he enrolled in resume, interview skills and job search workshops at Career Source. With WIA approved funding, Mike received WorkKeys® Certification training and enrolled in CDL training.

Jobs for America's Graduates-South Carolina Expands



JAG-SC Career Association Delegates demonstrating teamwork while participating in a ropes course at State Leadership Development Training.

JAG-SC Recognized as Outstanding State Program for Exceeding 2009 National Program Standards

Performance Measure	Standard	Result	
Graduation Rate	90%	93%	
Total Positive			
Outcome Rate	80 %	83 %	
Positive outcomes include: employment			
(full or part-time), postsecondary			
enrollment, or full-time military.			
Total Full-Time			
Placement Rate	80 %	82 %	
Full-time placement includes activities			
such as full-time employment, military duty,			
postsecondary enrollment, or part-time jobs			
with part-time postsecondary enrollment.			
Further Education Rate	n/a	60%	
Graduates are encouraged to pursue a			
postsecondary education, if appropriate			
and feasible.			

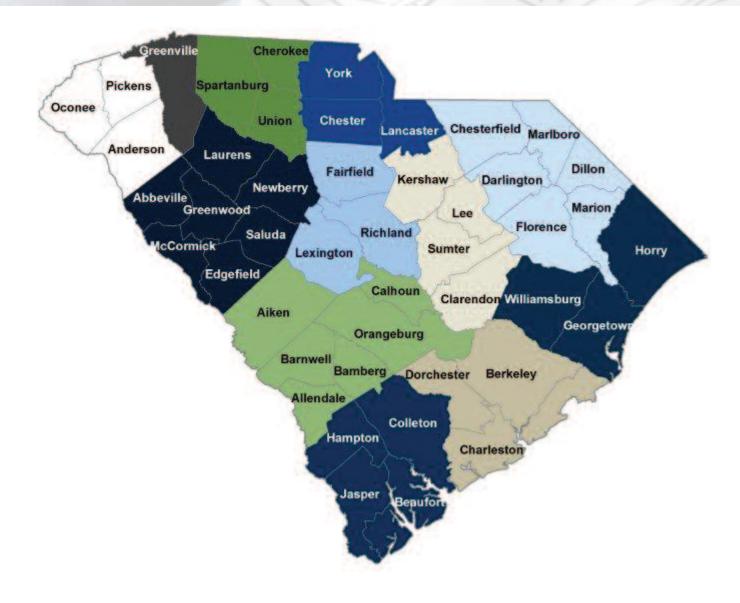
Since its inception in 2005, the WIA-sponsored Jobs for America's Graduates-South Carolina program has provided dropout prevention services to nearly 4,000 youth. Launched as a pilot program at fourteen high schools across the state, JAG-SC grew in 2009-2010, operating in 20 sites and assisting over 800 in-school youth while providing follow-up services to approximately 400 graduates.

The active school participants maintained a return to school rate of 97% in the fall of 2009. The exiting seniors' group raises their graduation rate from 93% to over 95%.

Funding support from AT&T, Verizon, and the SC
Department of Education spurred growth in program
year 2008-2009. JAG-SC will continue this momentum
by expanding into four additional schools in program
year 2010-2011 with supplemental funding support
from United Way, the Greenville Local Workforce
Investment Board, the Appalachian Regional
Commission, and local school districts.

Success of the WIA-funded high school programs led to increased interest among middle schools, enabling JAG-SC to plan its first Middle School Model program in Hampton County in the coming fiscal year, funded by the Department of Education's Early Connection Initiative.

South Carolina Local Workforce Investment Boards







SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

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